

HOUSE BILL 2356

By Todd

AN ACT to amend Tennessee Code Annotated, Title 6,
Chapter 56, relative to the investment of funds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 6-56-106(a)(9), is hereby amended by deleting it in its entirety and by substituting instead the following:

(9) The municipality's own bonds or notes issued in accordance with title 9, chapter 21 and bonds or notes issued by a public building authority created under title 12, chapter 10, the proceeds of which were used to make a loan to the municipality; and

SECTION 2. Tennessee Code Annotated, Section 6-56-106(b), is hereby amended by deleting it in its entirety and by substituting instead the following:

(b) The investments listed in subdivisions (a)(1)-(4) may have a maturity of not greater than four (4) years from the date of investment; however, such investments may have a maturity of greater than four (4) years from the date of investment if the obligation represented by such investment may be tendered by the holder to the issuer or an agent of the issuer at four (4) year intervals or less, or if such maturity is approved by the state director of local finance.

SECTION 3. Tennessee Code Annotated, Section 6-56-106(c)(2), is hereby amended by deleting it in its entirety and by substituting instead the following:

(2) Are direct general obligations of a state of the United States, or a political subdivision, or instrumentality of a state or political subdivision, having general taxing powers, or revenue obligations payable from a lease agreement or loan agreement that is a direct general obligation of a state of the United States, or a political subdivision, or instrumentality of a state or political subdivision, having general taxing powers; and

SECTION 4. Tennessee Code Annotated, Section 6-56-106(c)(3), is hereby amended by deleting it in its entirety and by substituting instead the following:

(3) Have a final maturity on the date of investment of not to exceed forty-eight (48) months or that may be tendered by the holder to the issuer thereof, or an agent of the issuer, at forty-eight (48) month intervals or less.

SECTION 5. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end, the provisions of this act are declared severable.

SECTION 6. This act takes effect upon becoming law, the public welfare requiring it.